

# How to Use This Book

## Purpose

The primary purpose of *The Blue Book* is to provide guidance to school business office personnel who handle fiscal recordkeeping, accounting, and reporting functions for federal Title IV student financial aid programs authorized by the Higher Education Act of 1965, as amended (HEA). In addition, it provides a technical resource of Title IV management responsibilities that are shared between various administrative offices in a school. It also provides general information about Title IV programs, policies, and procedures that are useful to all institutional personnel who administer and manage Title IV programs.

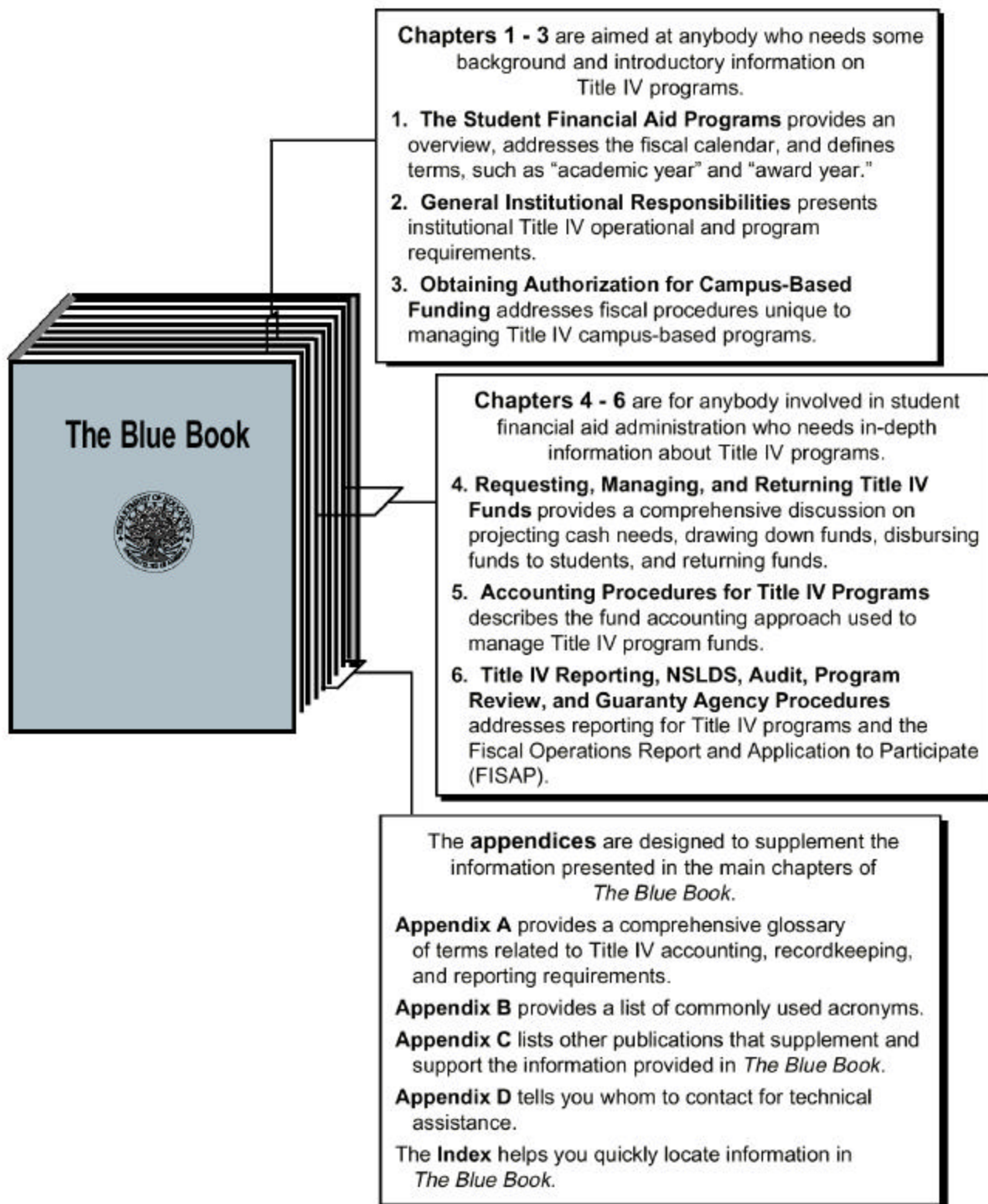
Some procedures discussed in *The Blue Book* are recommended to help institutions meet the fiscal responsibilities they agree to when they sign a Title IV Program Participation Agreement (PPA) with the U.S. Department of Education (ED). Other procedures described in *The Blue Book* are required by federal laws and regulations. Although *The Blue Book's* primary focus is fiscal responsibilities, financial aid administrators can also use *The Blue Book* as a reference tool for shared responsibilities.

This edition of *The Blue Book* places special emphasis on the benefits and challenges of managing Title IV programs electronically. The goals of any electronic-management system are to maintain accurate, well-organized records; submit required reports in an accurate and timely manner; comply with federal laws and regulations; and provide quality service to students.

Further, ED requires schools to use automated methods to meet certain Title IV requirements, such as retrieving Institutional Student Information Records (ISIRs) through the Internet, reporting Federal Pell Grant disbursements through the Recipient Financial Management System (RFMS), submitting the Fiscal Operations Report and Application to Participate (FISAP) electronically, and reporting Title IV information (including overpayments) online to the National Student Loan Data System (NSLDS). Some schools also use ED's Grant Administration and Payment System (GAPS) to request and draw down Title IV funds.\*

As a result, cooperation and communication across a school's administrative offices, especially between the business office and the financial aid office, are more important than ever. Schools also need to be careful to ensure that electronic management does not blur the legally required separation of *authorizing* Title IV funds and *disbursing* Title IV funds. *The Blue Book* is designed to help schools achieve these goals and to use ED's automated systems successfully.

\*For Web sites and other ED publications instrumental in fiscal management and recordkeeping, see Appendix C.



## Using *The Blue Book* at Your School

*The Blue Book* can perform several different functions for a school. For example, it can serve as a:

- ◆ training guide for new employees (especially in conjunction with ED's Fiscal Management Training Workshop and its Participant's Guide),
- ◆ reference manual for any employee, *and*
- ◆ basis for a school's fiscal policies and procedures manual.

Regardless of how a school uses this book, remember that it is only a guide, and it does not replace federal laws, regulations, or generally accepted accounting principles (GAAP). School personnel are still responsible for familiarizing themselves with all relevant primary source documents.

### Margin References

*The Blue Book* uses three icons in the margin notes to direct readers to other resources for the material being discussed in the text.



The Computer icon is for electronic references, directing readers to Web sites of particular interest.



The Book icon is for published references and directs readers to specific regulations and other resources of particular interest (some of which might also be available electronically).



The New icon is for newly available Web sites and published resources, as well as new program guidelines.

## Other Resources

A companion publication to *The Blue Book* is ED's *Student Financial Aid Handbook* (Handbook), which is a primary resource for financial aid administrators. The Handbook is mentioned frequently throughout *The Blue Book*. The Handbook consists of nine volumes published individually and successively by ED each year and distributed to school financial aid offices. Fiscal office personnel should know where to locate their school's copy of the Handbook, and they might want



### Reference:

- For information on these and other pertinent printed materials, see Appendix C of this book.

\*The SFA Handbook is available for download on ED's Information for Financial Aid Professionals (IFAP) Web site at <http://ifap.ed.gov>. Participating schools are also sent paper copies of sections of the Handbook as they are published.

to copy pertinent sections for their own use or print them from ED's Web site.\*

Another ED publication vital to the work of a fiscal officer is the *U.S. Department of Education Payee Guide for the Grant Administration and Payment System (GAPS)* [GAPS Payee Guide]. It provides information on systems operations and procedures for federal funds paid to schools through GAPS. The GAPS Payee Guide helps schools fulfill their responsibilities in expediting payments, completing forms and reports, and controlling federal cash received through GAPS. It also serves as a guide to ED's new ePayments Web site.

## Effective Date

This edition of *The Blue Book* is written on the basis of laws, regulations, policies, and procedures published by April 1, 2000 and in effect for the 2001-02 award year. Schools should be aware, however, these laws, regulations, policies, and procedures are subject to change. It is a school's responsibility to keep abreast of such changes so it remains in compliance with current rules. Regular updates and changes in policy guidance are posted on a daily basis on ED's IFAP Web site.

## Comments and Suggestions on *The Blue Book*

Your comments and suggestions about any aspect of *The Blue Book* are welcome. We are particularly interested in learning:

- ◆ the purposes for which *The Blue Book* is being used (for example, reference, self-study, training new staff);
- ◆ the appropriateness of the content and the usefulness of the appendices;  
*and*
- ◆ whether you feel this publication is among those that ED's Office of Student Financial Assistance (OSFA) should update on a regular basis.

You may send your comments to:

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